

THIRTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINE)
First Regular Session)

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SENATE
S.B. No. 1048

Introduced by Senator Jinggoy Ejercito Estrada

EXPLANATORY NOTE

The 1987 Constitution provides under Article XIV, Section 14, that "Arts and Letters shall enjoy the patronage of the State. The State shall conserve, promote and popularize the nations' historical heritage and resources as well as artistic creations."

We, Filipinos are known to be music lovers and we have proven to the international community that our singers and composers can compete and even best other countries in musical competitions. One way of giving support to our musical artists is to alleviate and promote our music industry.

Music industry plays a vital role in the development and enrichment of the Filipino arts and culture. Hence, every effort must be made in order to encourage and develop the musical creativity of the Filipino, to promote and cultivate the development of our music and to encourage, support and protect the promotion and propagation of Filipino music here and abroad.

Immediate approval of this bill is earnestly sought.



JINGGOY EJERCITO ESTRADA
Senator

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OFFICE OF THE SECRETARY

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**AN ACT
TO PROMOTE THE DEVELOPMENT OF THE PHILIPPINE MUSIC
INDUSTRY, AND FOR OTHER PURPOSES**

Be it enacted by the Senate and House of Representatives the Philippines in Congress assembled:

SECTION 1. **Title.** - This Act shall be known the "Music Industry Development Act of 2004."

SECTION 2. **Declaration of Policy.** - In consonance with the Constitutional mandate to conserve, promote and popularize the nation's historical and cultural heritage and resources, as well as its artistic creations, it is hereby declared to be the policy of the State to develop and enhance the develop be the policy and musical creativity of the Filipino; to promote and cultivate 9the development of Pilipino music; and to encourage, support and protect the promotion and propagation of Pilipino music here and abroad.

In adherence to such policies, this Act shall have the following objectives:

- a) To identify, develop, protect and promote Filipino musical talent, be it in competition, rendition or production;
- b) To provide opportunities for the appropriate training and professional development of the musically talented;
- c) To provide adequate mechanisms and support for the development and protection of the Philippine music industry; and
- d) To disseminate and promote Pilipino music in the country and abroad.

SEC. 3. **Definition of Terms.** -

1. Original Pilipino Music - shall refer to a musical composition, with or without lyrics, originally created by a Filipino, in English or in any other language or in any other Philippine dialect;
2. Performers – shall refer to actors, singers, musicians, dancers and other persons

- who act, sing, deliver, declaim or otherwise perform literary or artistic work;
3. Music Score – shall refer to any exclusively visual fixation of sounds for renditions, sound, recording, or broadcasting;
 4. Sound Recording – Shall refer to any exclusively aural fixation of sounds of a performance or other sounds.
 5. Producer of Sound Records – shall refer to the person who, or the legal entity which, first fixes a performance or recording;
 6. Publication – shall refer to the issue or offering to the public if copies of a sound recording in reasonable quantity;
 7. Reproduction - shall refer to the making of a copy or- copies of a recording or a musical score;
 8. Broadcasting - shall refer to the transmission from public reception of sounds or of images and sounds;
 9. Broadcasting Organization - shall refer to proprietorships duly authorized to engage broadcasting;
 10. Right of the Composer – shall refer to :
 - a) Performance - shall refer to the broadcasting of musical works be it live or recorded.
 - b) Mechanical - shall refer to disc and reproduction of musical works.
 - c) Synchronization – shall refer the coordination between musical works and visual images in motion pictures, television and advertising commercials.
 - d) Printing - shall refer to the publication works in musical and vocal arrangements.

SEC. 4. *Strengthening the Presidential Commission on Culture and Arts.* - To achieve the objectives of this Act, the existing Presidential Commission on Culture and Arts (PCCA), hereinafter referred to as the Commission, have the following additional powers and functions:

- a) To stimulate and promote the creation and rendition of Pilipino other forms of assistance to qualified persons institutions applying therefor;
- b) To and facilitate the organization encourage clubs and societies throughout the Philippines the promotion and popularization of Pilipino music;
- c) To provide guidelines for the popularization of Pilipino music through media and public places;
- d) To encourage the development of plans and programs, whether by the private or government sectors the identification, selection, training and support of musically-gifted children;
- e) To devise system of payment of royalties a Filipino musicians them a minimum

- f) To promote and protect the rights and privileges of the Pilipino country, artists performing in the giving due recognition to the local artist over and above visiting artists from abroad;
- g) To monitor, mediate or arbitrate in the following cases, in shall accordance with guidelines it shall formulate:
 - 1) Infringement of copyright and neighboring rights involving music.
 - 2) Controversies arising out of royalty rates, license schemes, compulsory licenses and relations between and among intellectual property creators, users, publishers, collecting societies, performers, producers of sound recordings and broadcast organization involved in music.
 - 3) Controversies involving intellectual property in music, its assignment or transfer; or those involving licenses whether exclusive.
- h) To accept donations, grants or contributions and to undertake fund-raising activities administer and the funds solicited thereat, for the attainment of the objectives of this Act.
- i) To submit an annual report of its activities, submit including the utilization and status of fund the herein established, to the Department of Education, Culture and Sports (DECS).

SEC. 5. *National Music Committee.* – The National Music Committee (NMC) under the Commission shall be hereinafter be composed of nine (9) members who, as far as practicable, should com from recognized association in the music in the industry representing the following:

The NMC shall also have as one of its members, a director of a reputable music school, a music patron and a representative from the Department of Education, Culture and Sports (DECS).

The first members of the NMC shall be appointed by the President with the following staggered terms: three (3) for a term of two (2) years; three (3) for a term of three (3) years; and three (3) for a term of four (4) years from the date they qualify and assume office.

Their successors shall be appointed by the President for a uniform term of six (6) years, except that any person elected by the NMC to fill a vacancy in the NMC shall server only for the unexpired term of the number whom he or she succeeds.

Each member shall, for each day of meeting actually attended by him, receive from the general fund of the Commission a per diem of not more than Five hundred pesos (P500.00) and in no case shall the total per diems per month exceed One thousand five hundred pesos (P1,500.00).

SEC. 6. *Equity.* - Equity or the preferential right of local performers over foreign performers, shall be given to local performers, producers of sound records, and all others

performers, shall be given to local performers, producers of sound records, and all others involved in the music industry.

An equity fee chargeable to the foreign performer/worker per show, from the lead artists down to the minor workers, shall be in such amount as may be determined by the NMC.

The income from equity collections of the NMC shall be constituted into a Fund which shall be administered and managed by the Council in accordance with its rules and regulations.

The Fund shall be utilized primarily for the benefit of the local performers.

SEC. 7. *Taxation of Foreign Recordings.* - The NMC shall have the authority to impose reasonable taxes on foreign musical recordings, the proceeds of which shall go to the Fund.

SEC. 8. *Promotion and Popularization of Filipino Music.* - All radio stations shall broadcast a minimum of four (4) Original Pilipino Musical Compositions in every clockhour of a program with a musical format, as stated in Section 1 of Executive Order No. 255.

All musical/variety/cultural programs in all TV stations shall include sixty percent (60%) Filipino compositions for every clockhour of showtime/airtime.

Musical scores of Pilipino films shall be at least seventy-five percent (75%) Pilipino music.

All public places shall play sixty percent (60%) Pilipino music for every clockhour. These public places are as follows:

- a) Moviehouses - during screening intervals.
- b) Parks/Plazas – music played through their public address systems.
- c) Lobbies of hotels and other lodging places and, restaurants-piped-in-music.
- d) Shopping malls - music played through their public address system in shows and entertainment fare.
- e) Public transports by air, land and sea-piped-in-music.
- f) Government offices and buildings-pipe-in-music.
- g) Schools, universities played colleges, music through their public address system, school programs, shows, or ceremonies.

SEC. 9. *Enforcement and Implementation.* – The enforcement and implementation abovementioned of the provisions shall be performed by the NMC. It may, however, deputize or seek assistance from other agencies such as, but not limited to, the Department of Education, and Culture and Sports (DECS), the National Telecommunications Commission (NTC) ,Kapisanan ng mga Brodkaster Pilipinas (KBP), volunteer groups, and other civic

SEC. 10. Penalties. – Any franchise holder or operator/owner of a radio station which fails to broadcast the minimum number of Original Pilipino Musical Compositions in every clockhour of a program with a musical format shall be fined in the amount of One thousand pesos (P1,000.00) for the first offense and Two thousand pesos (P2,000.00) for the second offense.

The producer/directors of the TV musical/variety/ cultural program which fail to play the required sixty percent (60%) shall pay a fine of Five thousand pesos (P5,000.00) for the first offense and Ten thousand pesos (P10,000.00) for the second offense.

After due hearing the National Telecommunications Commission shall cancel the Certificate of Registration and Authority to operate any radio/TV station in the event of three (3) repeated violations.

SEC. 11. Government Incentives. - To develop the music industry, the following incentives are provided:

a) Establishment of regional recording studios – Regional recording studios administered by the NMC shall be established to provide equal access to recording studios.

b) Tax Relief - The following tax incentives shall be provided:

1. Taxes on imported musical instruments, as long as they do not compete with local counterparts of the same quality, shall be reduced to fifty per-cent (50%);

2. Taxes on imported musical equipment needed for recordings and/or live performances, as long as they do not compete with local counterparts of the same quality, shall be reduced by fifty percent (50%);

3. Taxes on raw materials used in recording, whether it be local or imported, shall be reduced by twenty percent (20%).

c) Grants/Awards/Scholarships - Scholarship grants shall be created for both amateur and professional singers/musicians order in to further develop their capabilities.

Musical awards shall be given annually to both amateur and professional singers/artists/performers and other all musical related performances and jobs, to called the be "Parangal sa Musikang Pilipino."

The NMC coordination with agencies and entities involved in the promotion of Pilipino music, shall organize this annual event.

SEC. 12. Tax Exemption. – All donations, contributions, subsidies or aids which may be made to the NMC shall be considered allowable deductions from the income of the donors or- grantors for income tax purposes.

Transactions undertaken by the NMC in pursuance of its objectives shall be free from any and all taxes, duties and charges.

SEC. 13. **Appropriations.** - Out of any funds the in National not otherwise appropriated, the of Treasury sum Five million pesos (P5,000,00.00) is hereby appropriated for the NMC for its initial expenses. Thereafter the NMC shall submit a proposed for inclusion in the annual budget for inclusion in the annual General Appropriations Act.

SEC. 14. **Repealing Clause.** - All existing laws, rules, charters and regulations or parts thereof inconsistent with the provisions of this Act are hereby repealed, superseded or modified accordingly.

SEC. 15. **Separability Clause.** - If any part, section or provision invalid or unconstitutional, no other part, section or provision hereof shall be affected thereby.

SEC. 16. **Effectivity.** - This Act shall take effect six (6) months after its publication in a newspaper of general circulation.

Approved,